



Housing-Related Parks Program Program Guidelines

Section 100 Introduction and Program Background

The Department of Housing and Community Development (Department) is pleased to release program guidelines (Guidelines) for funding through the Housing-Related Parks Program (Program). The Program is designed to encourage cities and counties to develop new residential housing by rewarding those jurisdictions that approve housing affordable to lower-income households and are in compliance with State housing element law.

The Program was established pursuant to Chapter 641, Statutes of 2008 (AB 2494, Caballero), at Chapter 8 of Part 2 of Division 31 of the Health and Safety Code (commencing with Section 50700); and funded through Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006, Health and Safety Code Section 53545, subdivision (d).

The Program awards funds on a per-bedroom basis for each residential unit affordable to very low- and low-income households with documented housing starts during the Program year. The Program provides funds for parks and recreation projects that benefit the community and add to the quality of life.

The Department reserves the right, at its sole discretion, to suspend or amend the provisions of these Guidelines, including, but not limited to, grant award amounts.

Please Note: This Program is funded through the sale of general obligation (GO) bonds. At this time proceeds from the sale of GO bonds are not available for the Program and it is unknown when such funds may become available due to the State's fiscal situation.

Section 101 Definitions

Capitalized terms used in these Guidelines shall have the meanings set forth below:

- A. “Disadvantaged Community” means an area within a city, county, or city and county that is composed solely of those census tracts designated by the United States Department of Housing and Urban Development as having at least 51 percent of its residents at low- or moderate-income levels, using the most recent decennial United States Census data available.
- B. “Department” means the California Department of Housing and Community Development
- C. “Designated Catalyst Project” means a Project designated as a Catalyst Community under the Department’s Catalyst Projects for California Sustainable Communities Pilot Program. Please refer to the Department’s website at <http://www.hcd.ca.gov/hpd/cpcsspp.html> for additional information.
- D. “Designated Program Year” means the designated time period as indicated in the Notice of Funding Availability (“NOFA”) issued by the Department for each funding round.
- E. “Eligible Subcontractor” means a recreation and park district formed under Chapter 4 (commencing with Section 5780 of Division 5 of the Public Resources Code, a district formed pursuant to Section 5500 or 35100 of the Public Resources Code for the creation or improvement of a park or recreational facility, or any nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Sec 501(c)(3)), that is exempt from taxation and that has among its purposes the conservation of natural or cultural resources.
- F. “Eligible Unit” means those housing units that qualify for the base grant award. Only Eligible Units can qualify for the bonus criteria awards.
- G. “Extremely Low-Income Households” has the meaning set forth in Health and Safety Code Section 50106.
- H. “Housing Start” means documentation of issuance of a completed foundation inspection demonstrating construction of residential units has commenced and, for manufactured homes, an installation approval pursuant to Health and Safety Code Sections 18551 or 18613.
- I. “Infill Project” means a residential or mixed-use residential project located within an Urbanized Area on a site that has been previously developed or on a vacant site where at least 75 percent of the perimeter of the site adjoins parcels that are developed with Urban Uses. In calculating this percentage, perimeters bordering navigable bodies of water and improved parks shall not be included. For these purposes, a property is adjoining the side of a project site if the property is separated from the project site only by an improved public right-of-way.

- J. "Low-Income Households" has the meaning set forth for lower-income households in Health and Safety Code Section 50079.5.

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Definitions
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- K. "Park and Recreation Facility" means a facility that provides benefits to the community and includes, but is not limited to, places for organized team sports, outdoor recreation, and informal turf play; non-motorized recreational trails; permanent play structures; landscaping; community gardens; places for passive recreation; multipurpose structures designed to meet the special recreational, educational, vocational, and social needs of youth, senior citizens, and other population groups; recreation areas created by the redesign and retrofit of urban freeways; community swim centers; regional recreational trails; and infrastructure and other improvements that support these facilities.
- L. "Parks Deficient Community" means an area within a city, county, or city and county that has less than three acres of usable parkland per 1,000 residents.
- M. "Program" means the Housing-Related Parks Program implemented by these Guidelines.
- N. "Qualifying Park Project" means that Park and Recreation Facility designated in the Program Application that meets the eligible use criteria for funding through the Program, as set for in Section 108 of these Guidelines.
- O. "Regional Blueprint Plan" means a regional plan that implements statutory requirements intended to foster comprehensive planning as defined in Section 65041.1 of Chapter 2.5 (commencing with Section 65080) of Division 1 of Title 7 and Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.
- P. "Urbanized Area" means an incorporated city or urbanized area or urban cluster as defined by the United States Census Bureau. For unincorporated areas outside of an urban area or urban cluster, the area shall be within a designated urban service area that is designated in the local general plan for urban development and is served by public sewer and water.
- Q. "Urban Uses" means any residential, commercial, industrial, transit, transportation passenger facility, or retail use, or any combination of those uses. Urban uses do not include lands used for agricultural uses or parcels in excess of 15,000 square feet in size and containing only one single-family residence.
- R. "Very Low-Income Households" has the meaning set forth in Health and Safety Code Section 50105.

Section 102 Eligibility and Threshold Criteria

The Program does not use a competitive process to award funds; all cities and counties who meet the eligibility requirements outlined below will be funded as provided in these Guidelines.

A. Eligible Applicants

Cities, counties and cities and counties are eligible to apply to the Department for funds for eligible costs and activities under the Program. A local government may authorize a Redevelopment Agency to apply on its behalf through a resolution of the City or County which shall be submitted at the time of application.

B. Threshold Criteria

Applicants must meet all of the following threshold requirements for participation in the Program:

- 1. Housing Element Compliance:** The applicant must have a housing element that has been adopted by the jurisdiction's governing body and determined to be in substantial compliance with State housing element law pursuant to Government Code Section 65585 as of the end of the Designated Program Year. The jurisdiction's adopted housing element will be deemed in compliance as of the end of the Designated Program Year if the adopted element is submitted to the Department on or prior to that date and the Department determines the submitted adopted housing element to be in substantial compliance pursuant to Government Code Section 65585. A jurisdiction's current housing element compliance status can be obtained by referencing the Department's website at <http://www.hcd.ca.gov/hpd/hrc/plan/he/status.pdf> or by contacting the Program representative for your region (see Appendix).
- 2. Annual Progress Report on the housing element submitted to the Department:** Government Code Section 65400 requires local governments to submit reports to the Department on the jurisdiction's progress in implementing the housing element. To qualify for the Program funding round, an applicant must submit to the Department the Annual Progress Report (APR) required by Government Code Section 65400 for the Designated Program Year. For the purposes of the Program, the Annual Progress Report will be accepted through the end of the Designated Program Year. Charter cities are not exempt from this specific program requirement and must submit an Annual Progress Report to be eligible for the Program.

The report must cover the prior calendar year(s) that immediately precedes the Designated Program Year and meet all the requirements for the report set forth in Section 65400.

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Eligibility and Threshold Criteria
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Please be advised that the Department will not accept other reports in lieu of the APR. Housing Authority Financial Reports, Redevelopment Reports, and other similar reports will not be accepted as meeting this requirement. If uncertain of the status of the report submittal for a jurisdiction, please contact the Department for more information.

3. **Housing Starts for new affordable housing units issued during the Designated Program Year:** Housing Starts must have been issued during the Designated Program Year and meet the affordability requirements for extremely low-, very low- or low-income households. An eligible Housing Start must be for a housing unit meeting the following Census Bureau definition:

“A house, an apartment, a mobile home or trailer, a group of rooms, or a single room that is occupied as separate living quarters, or if vacant is intended for occupancy as a separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building and which have a direct access from the outside of the building or through a common hall.”

4. **Minimum Grant Amount:** To be eligible for funding, an applicant must meet a minimum grant amount of \$75,000, including any bonus awards, based on Housing Starts issued during the Designated Program Year. If an applicant is unable to meet the minimum amount, eligible Housing Starts from the Designated Program Year in the prior funding round may be combined with one or more subsequent funding rounds and apply once it is able to meet the minimum qualification amount using combined Housing Starts.

If the applicant intends to combine Housing Starts from multiple funding rounds in order to apply in a later funding round, all threshold criteria must be met by the close of each Designated Program Year for the respective funding rounds in which qualifying units are being utilized. However, in order to qualify using this method, an applicant must submit an application once it can meet the minimum \$75,000 threshold requirement

Section 103

Required Threshold Criteria Documentation

A. Applicants will be required to submit, at minimum, the following documents to the Department as part of the application:

1. Proof of Housing Starts in the form of documentation of completed foundation inspections for Eligible Units or installation approvals for manufactured homes issued during the Designated Program Year. Documentation for Housing Starts must include the date of inspection or installation approval.

For the purposes of the Program, Eligible Units do not include units to be rehabilitated. However, conversion from commercial or other uses to residential housing and new construction to replace demolished housing units may be eligible.

2. Documentation of the affordability deed restrictions or covenants associated with each eligible housing unit, including restriction by income level.
3. Documentation showing the total number of bedrooms by income level for each eligible housing unit. Documentation of affordability and bedroom counts must contain a project identifier, such as an assessor's parcel number (APN), address or other similar identifier that clearly ties the affordability and bedroom count documentation to the Housing Start.

B. Applicants are encouraged to track Housing Starts as they are issued throughout the year and document the affordability and bedroom counts of those units eligible for the Program.

Section 104 Affordability Requirements

A. The occupancy of Eligible Units must be for households whose incomes are within the published income limits for Extremely Low-, Very Low- or Low-Income Households. For the purpose of the Program, the units shall be considered affordable if the rent or housing payment is restricted by a regulatory agreement or deed restriction, and does not exceed amounts allowed by common Federal or State housing assistance programs, as determined by the Department. Or, in the case of ownership units with no public fund subsidy, evidence the unit is initially affordable to lower-income households.

1. Rental Units: Eligible rental units must be subject to an affordability covenant or agreement recorded on the property that requires the owner to maintain rents on the restricted units at levels affordable to very low- or low-income households for at least 55 years.

For manufactured housing rental units, affordability is determined by the rental amount for the manufactured housing only and does not include the rental amount for the space where the manufactured housing is located.

Specifically, Eligible Units must include:

- a. Affordable rents for Extremely Low-, Very Low- and Low-income Households¹, and
- b. Covenants restricting occupancy to eligible households and affordable rents for a minimum of 55 years.

Please note that if the primary funding source for an affordable unit requires a shorter period of affordability, such as 30 years, the applicant must *further restrict* the Eligible Unit for a minimum of 55 years to be eligible for the Program.

2. Ownership Units: Eligible Units must be initially reserved for sale to a very low- or low-income household and ensure the repayment of the public funds and reuse of those funds for affordable housing for a period of at least 20 years. The 20-year time period for ownership units (or 55 years for rental units) begins with the recording date of the instrument used to ensure repayment, typically a deed restriction.
 - a. If no public funds are used for an ownership unit affordable to a Very Low- or Low-Income Household, the local jurisdiction may count the unit if it can demonstrate that the unit has been or will be initially sold to an income-eligible household at an affordable housing cost.

¹Affordability in rents can be met with or without a subsidy to the tenant or to the unit; rents may be restricted by project or by unit.

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Affordability Requirements
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- b. All ownership units must be within the applicable sale price limits for new construction as published by the California Housing Finance Agency (CalHFA). The sale price limits can be obtained on the CalHFA website at <http://www.calhfa.ca.gov/homeownership/limits/index.htm>.
3. In mixed-income developments, only those units that meet the Program income and affordability requirements will qualify for an award. Housing units in a mixed-use commercial development that meet the eligibility requirements may be counted in this Program, as well as second units or units that are converted from non-residential to residential uses.

Section 105 Base Grant Award

- A. Funds will be awarded on a per-bedroom basis for each unit with a documented Housing Start issued during the Designated Program Year. Studio and efficiency units are counted as one-bedroom units.

- B. Awards will be distributed on the following basis:
 - 1. \$500 per bedroom for each unit affordable to Low-Income Households
 - 2. \$750 per bedroom for each unit affordable to Very Low-Income Households

- C. The minimum grant amount of \$75,000, including the calculation of any bonus awards, must be achieved through Eligible Units.

Section 106

Bonus Criteria Awards and Required Supporting Documentation

In addition to the base grant award, bonus funds will be awarded for Eligible Units based on the criteria below:

- A. Extremely Low-Income Units: A \$250 bonus will be awarded per bedroom for each unit to be occupied by and affordable to Extremely Low-Income Households.
 - 1. The application must include documentation of the affordability deed restrictions or covenants associated with the specific number of units and clearly identify that the units are restricted at the Extremely Low-Income level.

- B. Infill Projects: A \$250 bonus will be awarded per bedroom for each Eligible Unit that is built in an Infill Project.
 - 1. Infill units must be part of a project located within an Urbanized Area as determined by ONE of the following:
 - a. located within an incorporated city, *OR*
 - b. located within an urbanized area or urban cluster as defined by the U.S. Census Bureau at <http://2010.census.gov/2010census/>, *OR*
 - c. for unincorporated areas outside an urbanized area or urban cluster, the area shall be within a designated urban service area that is designated in the local general plan for urban development and is served by public sewer and water.

 - 2. The Infill Project must meet ONE of the following requirements:
 - a. the site has been previously developed, *OR*
 - b. at least 75 percent of the perimeter of the site adjoins parcels that are currently developed with Urban Uses (refer to definition of Urban Uses in Section 102), or is separated from parcels that are developed with Urban Uses only by an improved public right-of-way. In calculating this percentage, perimeters bordering navigable bodies of water and improved parks shall not be included.

 - 3. Documentation must be submitted to support units are in a project meeting the criteria above. Documentation can include, but is not limited to:
 - a. engineer's calculations;
 - b. aerial photos;
 - c. historical Documents (to show previously developed status of the site); and
 - d. other documentation acceptable to the Department that sufficiently identifies the project as meeting the definition of an Infill Project.

Note: if aerial photographs are provided, the image must clearly identify the project site boundaries. In addition, if not easily identifiable, the application should provide

a description of the adjacent uses to demonstrate the uses meet the definition of “Urban Uses.” If no description is provided, the Department will make a determination to the best of its ability.

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Bonus Criteria Awards and Required Supporting Documentation
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- C. Disadvantaged Community: A \$100 bonus will be awarded per bedroom for each Eligible Unit if the applicant can evidence that all Program funds will be spent to create or rehabilitate a park or community recreational facility that will serve a Disadvantaged Community.
1. The applicant must demonstrate that all the Program funds will be utilized for a qualifying park project that meets the definition of a Disadvantaged Community demonstrated through at least ONE of the following:
 - a. Any portion of the Qualifying Park Project is located within or bordered by at least one qualified census tract (QCT) as determined the by U.S. Department of Housing and Urban Development. Documentation to support this identification will be obtained by all applicants through the HUD-User GIS Service QCT Locator available at <http://209.48.228.153/qctmap.html>,
 - OR
 - b. The Qualifying Park Project is located within a census tract determined by the U.S. Department of Housing and Urban Development having at least 51 percent of its residents at low- or moderate-income levels. Documentation to support this identification will be obtained by all applicants from the dataset available at <http://www.hud.gov/offices/cpd/systems/census/ca/lowmod/sumfy11.xls>.
- D. Park-Deficient Community: A \$100 bonus will be awarded per bedroom for each Eligible Unit if the applicant can demonstrate all Program funds will be utilized for a qualifying park project located in an area within the jurisdiction that qualifies as a Park-Deficient Community.
1. For the purposes of this section, the area within the jurisdiction that must qualify as a Park-Deficient Community will be that which is within a half mile radius of any point within the Qualifying-Park Project.
 2. The ratio of useable park space (in acres) per 1,000 residents within a half mile radius of the identified park project site must be less than three.

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Bonus Criteria Awards and Required Supporting Documentation
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3. Documentation to support this identification will be obtained by all applicants from <http://www.parkinfo.org/factfinder2011/grantee.html>.
4. Before submission of an application, an applicant may request that the Department allow the submittal of alternative but comparable documentation from local resources or data sets that would demonstrate compliance with the above enumerated criteria. In reviewing the submitted application with the alternative documentation, the Department, at its sole discretion, will determine if such documentation sufficiently demonstrates the applicant's eligibility for the Park-Deficient Community bonus.

E. Infill-Supporting Park and Recreation Facility or Regional Blueprint Conformance: A \$100 bonus will be awarded per bedroom for each unit if the applicant can document compliance with either (1),(2) or (3) below:

1. Grant funds will be spent to create or improve a Park and Recreational Facility within the project boundaries of a Designated Catalyst Project.

OR

2. Grant funds will be spent to create or improve a Park and Recreational Facility that supports at least one current or previously developed Infill Project. Support of an Infill Development can be evidenced by meeting at least one of the following criteria:
 - A. The Park and Recreational Facility to be created or improved is within a quarter mile radius from a current or previously developed Infill Project, OR
 - B. The Park and Recreational Facility to be created or improved is within a half mile walkable route from a current or previously developed infill development. For the purposes of this section, a "walkable route" is a route which after completion of the project shall be free of negative environmental conditions that deter pedestrian circulation.

OR

3. The jurisdiction shall provide documentation that it has conformed applicable sections of its adopted General Plan, including the land-use and open space elements in particular, to the land-use provisions of the applicable adopted Regional Blueprint Plan, as may be verified by the Department. This documentation shall include all of the following, in a manner specific to the grant application for the proposed park improvements:
 - A. copies of relevant text, diagrams, or maps from both the General Plan and the Regional Blueprint Plan;

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Bonus Criteria Awards and Required Supporting Documentation
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- B. a resolution from the elected body of the applicant jurisdiction describing the basis of the conformity between the two plans; and
 - C. a letter or resolution from the Council of Governments (COG) having jurisdiction over the Regional Blueprint Plan attesting to the conformity of the General Plan with the adopted Regional Blueprint Plan.
- F. Regional Housing Needs Allocation (RHNA): A \$50 bonus will be awarded per bedroom in units restricted to Low-Income Households and \$75 bonus per bedroom in units restricted to Very Low- or Extremely Low-Income households for jurisdictions that have made significant progress in permitting the housing needed to meet the overall RHNA for the current planning period for the jurisdiction. To qualify for the RHNA bonus, eligible jurisdictions must have met a target percentage as established by the Department, of their overall RHNA, by the end of the Designated Program Year.

The target percentage will be prorated for the number of years completed in each jurisdiction's respective planning cycle. The applicant must meet the target percentage based on new housing units relative to their total RHNA. The Department will calculate each jurisdiction's eligibility for the RHNA bonus award based on the overall number of building permits issued during the current planning period as a percentage of its total RHNA compared to the overall average of new housing units permitted within that county as a whole. For example, if a jurisdiction has met 70 percent of its total RHNA and the average RHNA production of all jurisdictions within that County including the unincorporated County area is 68 percent, that jurisdiction would be eligible for the RHNA bonus.

The bonus will be applied to all Eligible Units. The Department will calculate a jurisdiction's eligibility for the RHNA bonus after the application has been received.

Section 107 Award Calculation

A. Based on the number of qualifying units and documented bonus award eligibility, eligible applicants may receive up to:

1. \$1,100 per bedroom in qualifying low-income units
2. \$1,625 per bedroom in qualifying very low-income units

Qualifying Unit	Base Award per bedroom	Bonus Awards					
		ELI Units	Infill Units	Disadvantaged Community	Park Deficient Community	Regional Blueprint/ Supporting Infill	RHNA Progress*
Low Income	\$500		\$250	\$100	\$100	\$100	\$50
Very-Low Income	\$750	\$250	\$250	\$100	\$100	\$100	\$75

** to be determined by the Department after application submittal*

B. There is no maximum award, however, if eligibility for funds exceeds the amount of funding available in any round, the Department may reduce all grants proportionally, or in the event the Program is undersubscribed, roll over unused funds to the next Designated Program Year funding round.

Section 108 Eligible Use of Funds

- A. Grant funds shall be used for the costs of Park and Recreation Facility creation, development, or rehabilitation, including, but not limited to, the acquisition of land for the purposes of those activities consistent with the requirements set forth in Section 16727 of the Government Code. Program grant funds may be used for the following types of projects:
1. Costs to construct, rehabilitate, or acquire capital assets, meaning:
 - a. Physical property with an expected useful life of 15 years or more.
 - b. Major maintenance, reconstruction, or demolition for purposes of reconstruction of facilities, and retrofitting work that is ordinarily done no more often than once every 5 to 15 years, or expenditures that continue or enhance the useful life of the capital asset.
 - c. Equipment with an expected useful life of two years or more.
 2. Costs incidental to but directly related to the construction or acquisition of a capital asset are allowable.

PLEASE NOTE: PARK PROJECTS DO NOT HAVE TO BE TIED TO THE HOUSING UNITS USED TO QUALIFY FOR THE BASE GRANT AWARD.

- B. Program grant funds may not be used for administrative costs of persons employed by the grantee, such as grant administration, or for other costs not directly related to the acquisition, rehabilitation or construction of a capital asset.
- C. A jurisdiction that receives funds under this Program may subcontract with an Eligible Subcontractor. The subcontract shall be subject to the approval of the Department and shall provide for compliance with all the requirements of the Program. The subcontract shall not relieve the jurisdiction of its responsibilities under the Program.
- D. Successful Program applicants will enter into a State Standard Agreement Contract for distribution of funds. Program grant funds must be spent within four years from the date of award announcement.
- E. No costs incurred prior to the execution date of the Standard Agreement may be charged to Program funds. After the contract has been executed by the State, eligible expenditures may be incurred and expended for the project(s) subject to the terms and conditions of the Standard Agreement.
- F. Funds will be disbursed upon receipt by the Department of documentation of a certificate of occupancy, final inspection, or other comparable local approval evidencing completion of the Eligible Units by which the applicant qualified for Program funding. All such documentation shall be subject to the approval of the Department. If the Department determines that any of the Eligible Units, which qualified the applicant for Program funding, were not completed,

then the award will be reduced to an amount corresponding to the actual number of completed Eligible Units. Applicants may submit requests for fund disbursements as

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Eligible Use of Funds
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the Eligible Units, which qualified the applicant for Program funding, were not completed, then the award will be reduced to an amount corresponding to the actual number of completed Eligible Units. Applicants may submit requests for fund disbursements as documentation of certificates of occupancy are available. However, requests must be for at least 25 percent of the total grant amount awarded.

Attachment A

Enabling Legislation AB 2494 (Caballero) Chapter 641, Statutes 2008

SECTION 1. Chapter 8 (commencing with Section 50700) is added to Part 2 of Division 31 of the Health and Safety Code, to read:

CHAPTER 8. HOUSING-RELATED PARKS PROGRAM

50700. For the purposes of this chapter, the following terms have the following meanings, unless the context clearly requires otherwise:

- (a) "Designated time period" means the time period designated in the Notice of Funding Availability required under subdivision (b) of Section 50702.
- (b) "Disadvantaged community," for the purposes of this program, means an area within a city, county, or city and county that is composed solely of those census tracts designated by the United States Department of Housing and Urban Development as having at least 51 percent of its residents of low- or moderate-income levels, using the most recent United States Department of Census data available at the time of the Notice of Funding Availability.
- (c) "Housing start" means documentation of a completed foundation inspection issued during the designated time period.
- (d) "Infill project" means a residential or mixed-use residential project located within an urbanized area on a site that has been previously developed, or on a vacant site where at least 75 percent of the perimeter of the site adjoins parcels that are developed with urban uses. For these purposes, a property is adjoining the side of a project site if the property is separated from the project site only by an improved public right-of-way.
- (e) "Park and recreation facility" means a facility that provides benefits to the community and includes, but is not limited to, places for organized team sports, outdoor recreation, and informal turf play; non-motorized recreational trails; permanent play structures; landscaping; community gardens; places for passive recreation; multipurpose structures designed to meet the special recreational, educational, vocational, and social needs of youth, senior citizens, and other population groups; recreation areas created by the redesign and retrofit of urban freeways; community swim centers; regional recreational trails; and infrastructure and other improvements that support these facilities.
- (f) "Parks deficient community" means a community that has less than three acres of usable parkland per 1000 residents.
- (g) "Regional blueprint plan" means a regional plan that implements statutory requirements intended to foster comprehensive planning, as defined in Section 65041.1 of Chapter 2.5 (commencing with Section 65080) of Division 1 of Title 7 of, and Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of, the Government Code. The regional blueprint plan articulates regional consensus and performance outcomes on a more efficient land use pattern that supports

improved mobility and reduces dependency on single-occupant vehicle trips; accommodates an adequate supply of housing for all income levels; reduces impacts on valuable farmland, natural resources, and air quality; includes the reduction of greenhouse gas emissions; increases water and energy conservation and efficiency; and promotes a prosperous economy and safe, healthy, sustainable, and vibrant neighborhoods.

(h) "Urbanized area" means an incorporated city or an urbanized area or urban cluster as defined by the United States Census Bureau. For unincorporated areas outside of an urban area or urban cluster, the area shall be within a designated urban service area that is designated in the local general plan for urban development and is served by public sewer and water.

(i) "Urban use" means any residential, commercial, industrial, public institutional, transit, transportation passenger facility, or retail use, or any combination of those uses.

50701. There is hereby established in state government the Housing-Related Parks Program, to be administered by the department, using funds allocated, upon appropriation, under subdivision (d) of Section 53545, for the purpose of providing grants for the creation, development, or rehabilitation of park and recreation facilities to cities, counties, and cities and counties for housing starts for newly constructed units that are affordable to very low- or low-income households.

50702. (a) To the extent that funds are available for this purpose, the department shall determine a base grant amount to be provided under this chapter to any city, county, or city and county that meets all of the following criteria:

(1) On or before the end of the period covered by the Notice of Funding Availability required under subdivision (b), the jurisdiction has adopted a housing element that the department, pursuant to Section 65585 of the Government Code, has found to be in substantial compliance with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code, and the jurisdiction has submitted to the department the annual progress report required under Section 65400 of the Government Code within the preceding 12 months.

(2) The jurisdiction can document housing starts for newly constructed units that are affordable to very low or low-income households within the designated time period and that meet either of the following criteria:

(A) In the case of rental units, the development is subject to a regulatory agreement recorded against the property that obligates the owner to maintain rents on the restricted units at levels affordable to very low or low-income households for at least 55 years.

(B) In the case of ownership housing, units in the development are initially sold to households of very low or low income at an affordable housing cost. If public funds are used to achieve an affordable housing cost, then upon the sale of an assisted unit to a very low or low-income household, the public entity shall ensure the repayment of the public funds and reuse of those funds for affordable housing for a period of at least 20 years. The proposed mechanism for restrictions of ownership units shall be consistent with criteria established by the department and specified in the Notice of Funding Availability.

(b) For each year that funds are available, the department shall issue a Notice of Funding Availability for housing starts issued during the designated time period. The department shall accept applications at the close of the designated period. Grant amounts shall be based on a per-bedroom incentive for each unit restricted for very low and low-income households. For the purposes of this section, single-room occupancies and studio apartments shall be considered one-bedroom units.

(c) If eligibility for funds exceeds the amount of funding available for the program, the department shall reduce all grants proportionally. Funds awarded shall be disbursed upon documentation of a certificate of occupancy, final inspection, or other comparable local approval.

50703. (a) The department shall award bonus funds in addition to the base grant award for applicants that meet the requirements under Section 50702. The department shall determine the amount of the bonus funds to be awarded pursuant to this chapter.

(b) The amount of the bonus funds to be awarded shall be established in the Notice of Funding Availability.

(c) Bonus funds shall be awarded for any of the following:

(1) Qualifying units that are affordable to extremely low-income households.

(2) Qualifying units that are affordable to very low and low-income households and are developed in infill projects.

(3) Jurisdictions that have met or exceeded housing production thresholds established by the department, in consultation with the Department of Finance.

(4) Jurisdictions that demonstrate that grant funds will be spent to improve a park or community recreational facility that will serve a disadvantaged community, as defined in subdivision (a) of Section 50700.

(5) Jurisdictions that demonstrate that grant funds will be spent to create a new park or community recreational facility that will serve a disadvantaged community, as defined in subdivision (a) of Section 50700.

(6) Jurisdictions that meet the definition of a park deficient community, as defined in subdivision (b) of Section 50700.

(7) Those jurisdictions that can demonstrate that grant funds will be spent to create or improve a park or community recreational facility to support infill development, or development within a jurisdiction that has conformed its general plan to the regional blueprint, as determined by the council of governments.

50704. (a) (1) Except as authorized under paragraph (2), a city, county, or city and county shall not receive a grant unless it qualifies, based on housing starts issued during the period designated in the Notice of Funding Availability, for a grant in an amount of seventy-five thousand dollars (\$75,000) or more.

(2) If a city, county, or city and county is not able to meet the minimum qualification amount under paragraph (1), it may delay application, combine the number of housing starts issued during the designated period described in paragraph (1) with the number of housing starts issued during one or more subsequent Notice of Funding Availability periods, and apply once it is able to meet the minimum qualification amount by using the combined amount of housing starts issued.

(b) Grants provided pursuant to this chapter shall be used for the costs of park and recreation facility creation, development, or rehabilitation, including, but not limited to, the acquisition of land for the purposes of those activities, consistent with the requirements set forth in Section 16727 of the Government Code.

(c) Funds awarded pursuant to this chapter shall supplement, not supplant, other available funding.

(d) A city, county, or city and county that receives funds under this chapter may subcontract through a recreation and park district formed under Chapter 4 (commencing with Section 5780) of Division 5 of the Public Resources Code, or a district formed pursuant to Section 5500 or 35100 of the Public Resources Code, for the creation or improvement of a park or recreational facility, or any nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Sec. 501(c)(3)), that is exempt from taxation under Section 501(a) of that code (26 U.S.C. Sec. 501(a)), and that has among its purposes the conservation of natural or cultural resources.

50704.5. The department shall adopt guidelines for the operation of the program. The guidelines shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code.

SEC. 2. The sum of four hundred fifty-nine thousand dollars (\$459,000) is hereby appropriated from the Housing Urban-Suburban-and-Rural Parks Account in the Housing and Emergency Shelter Trust Fund of 2006 to the Department of Housing and Community Development to fund the startup administrative costs of the Housing-Related Parks Program established under this act.